

Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 079692 TOSEC 030012
ORIGIN ARA-14

INFO OCT-01 SS-15 SSO-00 ISO-00 CCO-00 /030 R

DRAFTED BY ARA:SASHELTON:BGT
APPROVED BY ARA:SASHELTON
S/S-O RRASTRODALE
-----016206 282156Z /66
P 282146Z MAR 78 ZFF4
FM SECSTATE WASHDC
TO USDEL SECRETARY PRIORITY
INFO AMCONSUL SAO PAULO PRIORITY

LIMITED OFFICIAL USE STATE 079692 TOSEC 030012

FOR ASSISTANT SECRETARY TODMAN FROM SHELTON

E.O. 11652:N/A

TAGS: EINV, SENV, BR

SUBJECT: INVESTMENT PROBLEM IN BRAZIL

1. I WAS CONTACTED LAST EVENING BY TWO EXECUTIVE OFFICERS OF CONTINENTAL GROUP, INC., NEW YORK, CONCERNING A PROBLEM WITH THE BRAZILIAN GOVERNMENT THEY HOPE CAN BE RAISED AS APPROPRIATE, DURING THE PRESIDENTIAL VISIT TO BRASILIA. CONTINENTAL FOREST INDUSTRIES, A SUBSIDIARY OF CONTINENTAL GROUP, TOGETHER WITH GOB AND BRAZILIAN PRIVATE SECTOR, HAVE INVESTED \$350 MILLION IN A CARD-BOARD/PAPER MILL IN SAO PAULO STATE. IN SPITE OF THE PROJECT'S ANTICIPATED PRODUCTION OF \$50 MILLION ANNUALLY IN EXPORT SALES ALONE AND AN EMPLOYMENT CAPACITY OF 500 PERSONS, AND DESPITE GOB AND BRAZILIAN PRIVATE SECTOR DIRECT INTERESTS IN PROJECT, PROBLEMS HAVE ARISEN AS A RESULT OF BRAZILIAN ENVIRONMENTAL GROUPS' CONCERNS ABOUT
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 079692 TOSEC 030012

POTENTIAL POLLUTION. ACCORDING TO CONTINENTAL GROUP OFFICERS, ALL NECESSARY ENVIRONMENTAL CLEARANCES HAVE BEEN OBTAINED FROM GOB, PROJECT IS AWAITING FINAL APPROVAL ON PRESIDENT GEISEL'S DESK, AND BUREAUCRATIC LETHARGY IS COSTING INVESTORS SUBSTANTIAL AMOUNTS OF MONEY. THEY HAVE ASKED THAT USG RAISE THE ISSUE WITH GOB, AS APPROPRIATE.

2. I SUSPECT THERE MAY BE MORE HERE THAN MEETS THE EYE.
YOU MIGHT WISH TO DISCUSS THIS WITH THE EMBASSY
BRASILIA ECONOMIC COUNSELLOR, SHOULD YOU HAVE THE
OPPORTUNITY, TO DECIDE IF THE MATTER SHOULD BE RAISED
WITH GOB BY YOU AT THIS TIME. I UNDERSTAND THAT THE
CONTINENTAL MILL WAS MENTIONED AT THE JANUARY
POLLUTION CONTROL TRADE CENTER SHOW IN SAO PAULO AS
AN EXAMPLE OF THE GOB'S INCREASING INTEREST IN POLLUTION
CONTROL. AMCONSUL SAO PAULO MAY HAVE COMMENTS TO
FURTHER CLARIFY THE CIRCUMSTANCES BEHIND CONTINENTAL'S
PROBLEM. COOPER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PAPER INDUSTRY, TOSEC, PRIVATE INVESTMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 28 mar 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978STATE079692
Document Source: CORE
Document Unique ID: 00
Drafter: SASHELTON:BGT
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780135-0004
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780317/aaaaaooa.tel
Line Count: 73
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: ee32febb-c288-dd11-92da-001cc4696bcc
Office: ORIGIN ARA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3178763
Secure: OPEN
Status: NATIVE
Subject: INVESTMENT PROBLEM IN BRAZIL
TAGS: EINV, SENV, BDIS, US, BR, CONTINENTAL GROUP INC
To: SECRETARY SAO PAULO
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/ee32febb-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014